

Union Calendar No. 402

111TH CONGRESS
2^D SESSION

H. R. 4501

[Report No. 111-673]

To require certain return policies from businesses that purchase precious metals from consumers and solicit such transactions through an Internet website.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 21, 2010

Mr. WEINER introduced the following bill; which was referred to the
Committee on Energy and Commerce

DECEMBER 7, 2010

Reported with an amendment, committed to the Committee of the Whole
House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

A BILL

To require certain return policies from businesses that purchase precious metals from consumers and solicit such transactions through an Internet website.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Guarantee of a Legiti-
5 mate Deal Act of 2009”.

6 **SEC. 2. RETURN REQUIREMENTS FOR PURCHASERS OF**
7 **PRECIOUS METALS.**

8 (a) UNLAWFUL CONDUCT.—It shall be unlawful for
9 any online purchaser of precious metals to—

10 (1) refine through melting or otherwise perma-
11 nently destroy an item of jewelry or precious metal
12 which the online purchaser of precious metals has
13 made an offer to purchase before receiving an af-
14 firmative acceptance of such offer from the con-
15 sumer to whom such offer was made;

16 (2) fail to promptly return to the consumer any
17 jewelry or other precious metal if the consumer de-
18 clines the offer to purchase made by the online pur-
19 chaser of precious metals; or

20 (3) fail to insure any shipment of such jewelry
21 or precious metals in an amount equal to—

22 (A) 60 percent of the melt-value of the
23 jewelry or precious metals; or

24 (B) the amount the consumer insured the
25 shipment of the jewelry or precious metals to

1 the online purchaser of precious metals, if the
 2 consumer provides the online purchaser of pre-
 3 cious metals with proof of such insurance.

4 (b) DEFINITIONS.—As used in this Act—

5 (1) the term “online purchaser of precious met-
 6 als” means a person who—

7 (A) is in the business of purchasing jewelry
 8 or other precious metals directly from con-
 9 sumers; and

10 (B) maintains an Internet website through
 11 which such person solicits such transactions;
 12 and

13 (2) the term “melt-value” means the estimated
 14 value of any item of jewelry or precious metal, as de-
 15 termined by the online purchaser of precious metals,
 16 once such item has been processed and refined by
 17 the online purchaser of precious metals.

18 **SEC. 3. ENFORCEMENT BY THE FEDERAL TRADE COMMIS-**
 19 **SION.**

20 (a) UNFAIR AND DECEPTIVE ACT OR PRACTICE.—

21 A violation of this Act shall be treated as an unfair and
 22 deceptive act or practice in violation of a regulation under
 23 section 18(a)(1)(B) of the Federal Trade Commission Act
 24 (15 U.S.C. 57a(a)(1)(B)) regarding unfair or deceptive
 25 acts or practices.

1 (b) ~~POWERS OF COMMISSION.~~—The Commission
 2 shall enforce this Act in the same manner, by the same
 3 means, and with the same jurisdiction, powers, and duties
 4 as though all applicable terms and provisions of the Fed-
 5 eral Trade Commission Act (15 U.S.C. 41 et seq.) were
 6 incorporated into and made a part of this Act. Any person
 7 who violates such regulations shall be subject to the pen-
 8 alties and entitled to the privileges and immunities pro-
 9 vided in that Act.

10 **SECTION 1. SHORT TITLE.**

11 *This Act may be cited as the “Guarantee of a Legiti-*
 12 *mate Deal Act of 2010”.*

13 **SEC. 2. RETURN REQUIREMENTS FOR PURCHASERS OF**
 14 **PRECIOUS METALS.**

15 (a) **UNLAWFUL CONDUCT.**—*It shall be unlawful for*
 16 *any purchaser of precious metals to—*

17 (1) *sell, transfer to a third party, or refine*
 18 *through melting or otherwise permanently destroy an*
 19 *item of jewelry or precious metal before the purchaser*
 20 *of precious metals has received an affirmative accept-*
 21 *ance of an offer to purchase the item for a specific*
 22 *price from the consumer to whom such offer was*
 23 *made;*

24 (2) *fail to promptly return to the consumer any*
 25 *jewelry or other precious metal if the consumer de-*

1 *clines the offer to purchase made by the purchaser of*
2 *precious metals; or*

3 *(3) fail to insure any shipment to the consumer*
4 *of such jewelry or precious metals in an amount equal*
5 *to—*

6 *(A) the amount the consumer insured the*
7 *shipment of the jewelry or precious metals to the*
8 *purchaser of precious metals, if the consumer*
9 *provides the purchaser of precious metals with*
10 *proof of such insurance; or*

11 *(B) 60 percent of the melt-value of the jew-*
12 *elry or precious metals, if the consumer does not*
13 *provide the purchaser of precious metals with*
14 *proof of such insurance.*

15 *(4) Law Enforcement Exception—Paragraph (1)*
16 *of this subsection shall not prohibit the sale or trans-*
17 *fer of any item of jewelry or precious metal to law*
18 *enforcement agencies or their personnel.*

19 *(b) DEFINITIONS.—As used in this Act—*

20 *(1) the term “purchaser of precious metals”*
21 *means a person who is in the business of purchasing*
22 *jewelry or other precious metals directly from con-*
23 *sumers; and*

24 *(2) the term “melt-value” means the reasonable*
25 *estimated value of any item of jewelry or precious*

4 (c) *REGULATIONS.*—*The Commission may issue regu-*
5 *lations under section 553 of title 5, United States Code, to*
6 *carry out the purposes of this Act.*

9 (a) *UNFAIR AND DECEPTIVE ACT OR PRACTICE.*—A
10 *violation of this Act or a regulation issued pursuant to this*
11 *Act shall be treated as an unfair or deceptive act or practice*
12 *in violation of a regulation under section 18(a)(1)(B) of*
13 *the Federal Trade Commission Act (15 U.S.C.*
14 *57a(a)(1)(B)) regarding unfair or deceptive acts or prac-*
15 *tices.*

16 (b) *POWERS OF COMMISSION.*—*The Commission shall*
17 *enforce this Act in the same manner, by the same means,*
18 *and with the same jurisdiction, powers, and duties as*
19 *though all applicable terms and provisions of the Federal*
20 *Trade Commission Act (15 U.S.C. 41 et seq.) were incor-*
21 *porated into and made a part of this Act. Any person who*
22 *violates this Act shall be subject to the penalties and entitled*
23 *to the privileges and immunities provided in that Act.*

1 ***SEC. 4. EFFECTIVE DATE.***

2 *The provisions of this Act shall take effect 60 days after*
3 *the date of enactment of this Act.*

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